

FIRST REGULAR SESSION

SENATE BILL NO. 296

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LOUDON.

Read 1st time January 16, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

0843S.02I

AN ACT

To repeal section 313.812, RSMo, and to enact in lieu thereof six new sections relating to a comprehensive legal and factual study of pathological or serious problem gambling and problem gambling in this state.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 313.812, RSMo, is repealed and six new section enacted
2 in lieu thereof, to be known as sections 313.812, 313.950, 313.953, 313.956,
3 313.959, and 313.961, to read as follows:

313.812. 1. The commission may issue licenses pursuant to subsection 1
2 of section 313.807 when it is satisfied that the applicant has complied with all
3 rules and regulations, including an update of all information provided to the
4 commission in the licensee's initial application. **The total number of**
5 **excursion gambling boat licenses which may be issued and current at**
6 **any given time shall be twelve until such time as the university study**
7 **required by section 313.956 is submitted to the governor and the**
8 **general assembly. In the event twelve such licenses have been issued**
9 **and are current and a current excursion gambling boat license expires,**
10 **the commission may renew such license or may issue a new license to**
11 **a suitable applicant. In the event twelve such licenses have been issued**
12 **and are current and a current excursion gambling boat license is**
13 **forfeited by the licensee or is revoked by the board or commission, the**
14 **commission may thereafter issue a new license to a suitable**
15 **applicant. The commission shall not issue any excursion gambling boat**
16 **licenses in the event twelve such licenses have been issued and no such**
17 **licenses have yet expired, or been forfeited or revoked until such time**
18 **as the university study required by section 313.956 is submitted to the**

19 **governor and the general assembly.** The commission shall decide the
20 number, location and type of excursion gambling boat in a city or county under
21 subsection 10 of this section. The license shall set forth the name of the licensee,
22 the type of license granted, the place where the excursion gambling boat will
23 operate and dock, including the docking of an excursion gambling boat which is
24 continuously docked, and other information the commission deems
25 appropriate. The commission shall have the ultimate responsibility of deciding
26 the number, location, and type of excursion gambling boats licensed in a city or
27 county; however, any city or county which has complied with the provisions of
28 subsection 10 of this section shall submit to the commission a plan outlining the
29 following:

30 (1) The recommended number of licensed excursion gambling boats
31 operating in such city or county;

32 (2) The recommended licensee or licensees operating in such city or
33 county;

34 (3) The community's economic development or impact and affirmative
35 action plan concerning minorities' and women's ownership, contracting and
36 employment for the waterfront development;

37 (4) The city or county proposed sharing of revenue with any other
38 municipality;

39 (5) Any other information such city or county deems necessary; and

40 (6) Any other information the commission may determine is necessary.

41 The commission shall provide for due dates for receiving such plan from the city
42 or county.

43 2. A license to operate an excursion gambling boat shall only be granted
44 to an applicant upon the express conditions that:

45 (1) The applicant shall not, by a lease, contract, understanding, or
46 arrangement of any kind, grant, assign, or turn over to a person the operation of
47 an excursion gambling boat licensed under this section or of the system of
48 wagering described in section 313.817. This section does not prohibit a
49 management contract with a person licensed by the commission; and

50 (2) The applicant shall not in any manner permit a person other than the
51 licensee and the management licensee to have a share, percentage, or proportion
52 of the money received for admissions to the excursion gambling boat.

53 3. The commission shall require, as a condition of granting a license, that
54 an applicant operate an excursion gambling boat which, as nearly as practicable,

55 resembles or is a part of Missouri's or the home dock city's or county's riverboat
56 history.

57 4. The commission shall encourage through its rules and regulations the
58 use of Missouri resources, goods and services in the operation of any excursion
59 gambling boat.

60 5. The excursion gambling boat shall provide for nongaming areas, food
61 service and a Missouri theme gift shop. The amount of space used for gaming
62 shall be determined in accordance with all rules and regulations of the
63 commission and the United States Coast Guard safety regulations.

64 6. A license to operate gambling games or to operate an excursion
65 gambling boat shall not be granted unless the applicant has, through clear and
66 convincing evidence, demonstrated financial responsibility sufficient to meet
67 adequately the requirements of the proposed enterprise.

68 7. Each applicant shall establish by clear and convincing evidence its
69 fitness to be licensed. Without limitation, the commission may deny a license
70 based solely on the fact that there is evidence that any of the following apply:

71 (1) The applicant has been suspended from operating an excursion
72 gambling boat or a game of chance or gambling operation in another jurisdiction
73 by a board or commission of that jurisdiction;

74 (2) The applicant is not the true owner of the enterprise proposed;

75 (3) The applicant is not the sole owner, and other persons have ownership
76 in the enterprise, which fact has not been disclosed;

77 (4) The applicant is a corporation that is not publicly traded and ten
78 percent or more of the stock of the corporation is subject to a contract or option
79 to purchase at any time during the period for which the license is to be issued
80 unless the contract or option was disclosed to the commission and the commission
81 approved the sale or transfer during the period of the license;

82 (5) The applicant has knowingly made a false statement of a material fact
83 to the commission; or

84 (6) The applicant has failed to meet a valid, bona fide monetary obligation
85 in connection with an excursion gambling boat.

86 8. A license shall not be granted if the applicant has not established his
87 good repute and moral character or if the applicant has pled guilty to, or has been
88 convicted of, a felony. No licensee shall employ or contract with any person who
89 has pled guilty to, or has been convicted of, a felony to perform any duties directly
90 connected with the licensee's privileges under a license granted pursuant to this

91 section, except that employees performing nongaming related occupations as
92 determined by the commission shall be exempt from the requirements of this
93 subsection.

94 9. A licensee shall not lend to any person money or any other thing of
95 value for the purpose of permitting that person to wager on any gambling game
96 authorized by law. This does not prohibit credit card or debit card transactions
97 or cashing of checks. Any check cashed must be deposited within twenty-four
98 hours. The commission may require licensees to verify a sufficient account
99 balance exists before cashing any check. Any licensee who violates the provisions
100 of this subsection shall be subject to an administrative penalty of five thousand
101 dollars for each violation. Such administrative penalties shall be assessed and
102 collected by the commission.

103 10. Gambling excursions including the operation of gambling games on an
104 excursion gambling boat which is not continuously docked shall be allowed only
105 on the Mississippi River and the Missouri River. No license to conduct gambling
106 games on an excursion gambling boat in a city or county shall be issued unless
107 and until the qualified voters of the city or county approve such activities
108 pursuant to this subsection. The question shall be submitted to the qualified
109 voters of the city or county at a general, primary or special election upon the
110 motion of the governing body of the city or county or upon the petition of fifteen
111 percent of the qualified voters of the city or county determined on the basis of the
112 number of votes cast for governor in the city or county at the last election held
113 prior to the filing of the petition. The question shall be submitted in
114 substantially the following form:

115 Shall the City (County) of allow the licensing of excursion
116 gambling boats or floating facilities as now or hereafter provided by Missouri
117 gaming law in the city (county)?

118 YES NO

119 If a majority of the votes cast on the question by the qualified voters voting
120 thereon are in favor of the question, then the commission may license excursion
121 gambling boats in that city or county and such boats may operate on the
122 Mississippi River and the Missouri River. If a majority of the votes cast on the
123 question by the qualified voters voting thereon are opposed to the question, then
124 the commission shall not license such excursion gambling boats in such city or
125 county unless and until the question is again submitted to and approved by a
126 majority of the qualified voters of the city or county at a later election.

127 Excursion gambling boats may only dock in a city or unincorporated area of a
128 county which approves licensing of such excursion gambling boats pursuant to
129 this subsection, but gambling operations may be conducted at any point on the
130 Mississippi River or the Missouri River during an excursion. Those cities and
131 counties which have approved by election pursuant to this subsection, except
132 those cities or counties which have subsequently rejected by election, the
133 licensing of any type of excursion gambling boats in the city or county prior to
134 April 6, 1994, are exempt from any local election requirement of this section as
135 such previous election shall have the same effect as if held after May 20, 1994.

136 11. If a docking fee is charged by a city or a county, a licensee operating
137 an excursion gambling boat shall pay the docking fee prior to the start of the
138 excursion season.

139 12. Any licensee shall not be delinquent in the payment of property taxes
140 or other taxes or fees or in the payment of any other contractual obligation or
141 debt due or owed to the state or a political subdivision of the state.

142 13. An excursion gambling boat licensed by the state shall meet all of the
143 requirements of chapter 306, RSMo, and is subject to an inspection of its sanitary
144 facilities to protect the environment and water quality by the commission or its
145 designee before a license to operate an excursion gambling boat is issued by the
146 commission. Licensed excursion gambling boats shall also be subject to such
147 inspections during the period of the license as may be deemed necessary by the
148 commission. The cost of such inspections shall be paid by the licensee.

149 14. A holder of any license shall be subject to imposition of penalties,
150 suspension or revocation of such license, or if the person is an applicant for
151 licensure, the denial of the application, for any act or failure to act by himself or
152 his agents or employees, that is injurious to the public health, safety, morals,
153 good order and general welfare of the people of the state of Missouri, or that
154 would discredit or tend to discredit the Missouri gaming industry or the state of
155 Missouri unless the licensee proves by clear and convincing evidence that it is not
156 guilty of such action. The commission shall take appropriate action against any
157 licensee who violates the law or the rules and regulations of the
158 commission. Without limiting other provisions of this subsection, the following
159 acts or omissions may be grounds for such discipline:

160 (1) Failing to comply with or make provision for compliance with sections
161 313.800 to 313.850, the rules and regulations of the commission or any federal,
162 state or local law or regulation;

163 (2) Failing to comply with any rule, order or ruling of the commission or
164 its agents pertaining to gaming;

165 (3) Receiving goods or services from a person or business entity who does
166 not hold a supplier's license but who is required to hold such license by the
167 provisions of sections 313.800 to 313.850 or the rules and regulations of the
168 commission;

169 (4) Being suspended or ruled ineligible or having a license revoked or
170 suspended in any state of gaming jurisdiction;

171 (5) Associating with, either socially or in business affairs, or employing
172 persons of notorious or unsavory reputation or who have extensive police records,
173 or who have failed to cooperate with any officially constituted investigatory or
174 administrative body and would adversely affect public confidence and trust in
175 gaming;

176 (6) Employing in any gambling games' operation or any excursion
177 gambling boat operation, any person known to have been found guilty of cheating
178 or using any improper device in connection with any gambling game;

179 (7) Use of fraud, deception, misrepresentation or bribery in securing any
180 permit or license issued pursuant to sections 313.800 to 313.850;

181 (8) Obtaining or attempting to obtain any fee, charge, or other
182 compensation by fraud, deception, or misrepresentation;

183 (9) Incompetence, misconduct, gross negligence, fraud, misrepresentation
184 or dishonesty in the performance of the functions or duties regulated by sections
185 313.800 to 313.850.

**313.950. As used in sections 313.950 to 313.961, the following
2 terms mean:**

3 **(1) "Committee", joint committee on gaming and wagering;**

4 **(2) "Department", the department within the selected university
5 which supervises and administers the conduct of the study;**

6 **(3) "Director", the study director appointed by the dean or other
7 managing director of the department;**

8 **(4) "University", any university located within the state of
9 Missouri.**

**313.953. 1. The committee shall solicit competitive bids from
2 universities to conduct a comprehensive legal and factual study of
3 pathological or serious problem gambling and problem gambling in this
4 state.**

5 2. For at least three weeks, the committee shall solicit bids by
6 mail or other reasonable method that is available to all universities in
7 this state. The committee may also solicit for bids by advertising in
8 newspapers of general circulation in areas where universities are
9 located for at least two weeks. All solicitations for bids shall contain
10 the date by which bids are due, as well as information concerning the
11 questions to be addressed in the study.

12 3. After the bidding is closed, the committee shall choose the best
13 and lowest bid. The selected university must demonstrate its ability to
14 answer the study questions contained in subsection 2 of section
15 313.956. The primary consideration regarding the quality of any bid
16 shall be the academic and professional qualifications of the economists
17 and social scientists on the research team and their capability to
18 deliver the best data, especially in answers to questions (1) and (2) in
19 subsection 2 of section 313.956.

 313.956. 1. The selected university shall conduct a
2 comprehensive study of the economic and social impact of pathological
3 or serious problem gambling and problem gambling in this state. The
4 study shall include a review of existing policies and practices with
5 respect to the prevention and treatment of pathological or serious
6 problem gambling and problem gambling and shall formulate and
7 propose necessary and appropriate changes in those policies and
8 practices. The selected university may seek the cooperation of any
9 agency within the state of Missouri or within any other state in
10 obtaining information regarding any aspect or effect of pathological or
11 serious problem gambling and problem gambling.

12 2. The study shall include, but is not limited to:

13 (1) The economic impact of pathological or serious problem
14 gambling and problem gambling on the state of Missouri and on the
15 political subdivisions of this state:

16 (a) An assessment of the percentage of residents of this state that
17 are pathological or serious problem gamblers;

18 (b) The median age of pathological or serious problem gamblers
19 and problem gamblers;

20 (c) A determination of how much money an individual
21 pathological or serious problem gambler costs society each year in
22 terms of crimes, bankruptcy, other bad debts, prosecution, and

23 incarceration costs and other social service costs; and the total amount
24 of money lost annually by pathological or serious problem gamblers in
25 this state;

26 (2) The economic impact of pathological or serious problem
27 gambling on other businesses, including at least theft and lost
28 revenues;

29 (3) An assessment of the relationship between pathological or
30 serious problem gambling and crime;

31 (4) An assessment of the impact of pathological or serious
32 problem gambling on individuals, families, social institutions, criminal
33 activity, and the economy;

34 (5) A review of the demographics of pathological or serious
35 problem gamblers; and

36 (6) A review of the costs and effectiveness of state and federal
37 gambling regulatory policy.

38 3. The university shall complete its study and submit its final
39 report to the governor and the general assembly not later than January
40 31, 2010. The final report shall contain a detailed statement of the
41 findings and conclusions of the university with its recommendations for
42 legislation and administrative actions as the university deems
43 appropriate.

313.959. 1. The director may hold hearings, administer oaths,
2 take testimony, receive evidence, and require by subpoena the
3 attendance and testimony of witnesses and the production of materials
4 as the director considers advisable to carry out the purposes of sections
5 313.950 to 313.961. A subpoena of the director shall be served in the
6 manner provided for a subpoena issued by a circuit court pursuant to
7 Missouri rules of civil procedure. A subpoena may be served anywhere
8 in the judicial district in which the person required to be served
9 resides or may be found. A subpoena shall state the time and place a
10 person is required to appear, be signed by the director, and be attested
11 to by the director.

12 2. Upon request of the director, the head of any state agency
13 shall furnish the director with the information considered necessary by
14 the director to carry out the provisions of sections 313.950 to 313.961.

15 3. The director shall appoint and terminate the employment of
16 any additional personnel as may be necessary to carry out the study.

313.961. 1. Up to two hundred thousand dollars shall be
2 appropriated to the selected university to fund the study pursuant to
3 sections 313.950 to 313.961.

4 2. Any money appropriated for the purposes of sections 313.950
5 to 313.961, which remains unused as of January 1, 2010, shall be
6 transferred and placed to the credit of the state general revenue fund
7 pursuant to section 33.080, RSMo.

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Bill

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